

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: December 2, 2022

RE: Legislative Report: Austin and Washington Updates

Please find below updates on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

San Jacinto Region 6 Regional Flood Planning Group Update

The [San Jacinto Region 6 Regional Flood Planning Group](#) will meet 9:00 am – 12:00 pm on Thursday, December 8th. Region 6 RFPG meetings will continue to be hybrid, so if you would like to participate online, please register at: <https://bit.ly/3fv8klR> for login information.

- [Meeting Agenda](#)
- [Meeting Materials](#)
- [Final Regional Flood Plan – Volume 1](#)
- [Final Regional Flood Plan – Volume 2](#)

Austin Update

TWIA Board Meets in Corpus Christi on December 13th

The Texas Windstorm Insurance Association Board of Directors will meet at the [Omni Hotel in Corpus Christi](#) on Tuesday, December 13 at 9:00 a.m. CT. See the meeting [agenda](#). Written comments should be submitted by noon on Friday, December 9th, to provide adequate opportunity for Board review prior to the meeting. The Board is expected to consider filling the vacant position of Board Secretary/Treasurer, approval of the 2023 Association budget, and other business. The Board will also receive a briefing on and consider processes related to the Association's 2023 reinsurance program.

LBB Action on State Budget Constitutional Spending Limit

Legislative Budget Board votes unanimously to implement constitutional spending limit allowing 12.33 percent growth for the next 2 years.

TCEQ Executive Director Toby Baker Moves to Governor's Staff

Governor Greg Abbott appointed Texas Commission on Environmental Quality (TCEQ) Executive Director Toby Baker as Deputy Chief of Staff, effective December 15, 2022. Jordan Hale, currently serving as Deputy Chief of staff will continue in her role. See [staff leadership announcement](#).

Lt. Governor Announces 2023 Legislative Priorities

Lt. Governor Dan Patrick announced his list of legislative priorities for the Regular Session of the 88th Texas Legislature that convenes on January 10, 2023. Legislators will decide on how a roughly \$27 billion surplus will be addressed. The Lt. Governor's priorities include:

- **Property Tax Relief:** 1) expand the homestead exemption to at least \$60,000; 2) expand the personal property exemption from the current limit of \$2,500.
- **Power Grid:** Legislation that would cause investors to build more natural gas plants in Texas.
- **Border Security and Law Enforcement:** 1) continue funding for Operation Loan Star border security operation; 2) 10-year mandatory minimum sentence for people who use firearms in a crime; 3) voter recall of district prosecutors or move cases to other jurisdictions when locally elected officials fail to charge people with a crime; 4) create a rural law enforcement fund to boost pay for sheriffs and peace officers in those areas (he described a plan to give \$500,000 or \$1 million in ongoing funding to rural counties to boost their law enforcement funding).
- **Education:** 1) expand scholarship programs law enforcement, teachers, and nurses; 2) create an endowment fund for public universities not eligible for the multibillion-dollar Permanent University Fund; 3) end professors' tenure in public universities and colleges to combat teaching of critical race theory; 4) "thirteenth check or cost-of-living adjustment for retired teachers; 5) increase school safety funding; 6) "Parent's Bill of Rights" for greater parental decision-making control child's education.
- **Elections:** timely vote counting, review of machines, and restore some election crimes as a felony.
- **Mental Health:** continued investment in the state mental health system.

Comptroller Transfers \$7.3 Billion to Highway Fund and Economic Stabilization Fund

Comptroller Glenn Hegar [announced](#) the transfer of \$7.3 billion into the State Highway Fund and the Economic Stabilization Fund (commonly known as the Rainy Day Fund). Each fund received nearly \$3.64 billion. The current balance of the Rainy Day Fund is now \$14.1 billion. Voters approved a constitutional amendment in 2015 that allocated at least half of the oil and natural gas production tax revenues to the Rainy Day Fund with the remainder allocated to the State Highway Fund. Those funds can be used for non-toll highway construction, maintenance, and right-of-way acquisition. Meanwhile, Comptroller Hegar also [announced](#) state sales tax revenue totaled \$3.96 billion in November, the highest monthly collection on record and 11.2 percent more than in November 2021.

Legislator Requests AG Opinion on Land Development Applications Procedures Law

State Representative Ryan Guillen (R-Rio Grande City), Chairman of the Texas House Committee on Resolutions Calendars, submitted a [request](#) to the Attorney General's Office for a legal opinion on implementation of HB 3167, legislation passed during the 86th Legislature making numerous changes to the site plan and subdivision platting approval process. Chairman Guillen states in his letter "...a number of Texas cities and counties have refused to acknowledge and have intentionally misconstrued the plain meaning of the amendments enacted by HB 3167. This willful disregard was planned and coordinated before HB 3167 took effect and persists today."

HB 3167, known as the "shot clock" bill, sets 30-day requirement timeframes to act on a plan or plat after it is filed. City Council must approve, conditionally approve, or disapprove a plan or plat within 30 days after planning commission approval action. The plan or plat is deemed approved unless it is disapproved within the 30-day period. With an applicant written request, the 30-day timeframe may be extended an additional 30 days. Cities cannot establish a deadline for submitting a response to a

conditional approval or disapproval. The applicant's response must be approved or disapproved within 15 days of the date the response was submitted.

In January 2021, the attorney general released an [opinion](#) stating there is nothing within the HB 3167 statutory framework that prevents a city from requiring a developer to complete certain prerequisites prior to acceptance of a plan or plat application. Rep. Tom Oliverson (R-Cypress) filed legislation during the 87th Regular Session and all three Special Sessions to further tightened requirements imposed by HB 3167. Thus far for the 88th Regular Session, see SB 259 (filed by Senator Drew Springer) and HB 866 (filed by Rep. Oliverson) bill summaries in the attached memorandum.

88th Texas Legislature – Regular Session Key Dates

November 14, 2022 – Prefiling of bills by legislators begins.

January 10, 2023 – Texas Legislature Convenes

March 10, 2023 – 60-Day Bill Filing Deadline

May 29, 2023 – Adjournment Sine Die (140th day or 20 weeks)

Attached is a memorandum providing summaries of bills that may be of interest to Galveston. The bills are organized in the following categories:

- Property Tax
- Sales Tax
- Hotel Occupancy Tax
- Community & Economic Development
- Public Safety
- Emergency Management
- Lobbying
- Other Finance and Administration
- Open Government
- Information Technology
- Personnel
- Purchasing
- Utilities and Environment
- Elections

Texas House Committee on State Affairs Hearing on December 5th

The committee will meet on Monday, December 5th at 9:00 a.m. to hear invited and public testimony on the following:

- Update on proposed changes to the Electric Reliability Council of Texas (ERCOT) market design.
- A live video broadcast of this hearing will be available here: <https://house.texas.gov/video-audio/>

Texas Infrastructure Resiliency Fund Advisory Committee Hearing on December 8th

The committee will meet on Thursday, December 8th at 9:30 am (or upon recess/adjournment of the State Water Implementation Fund for Texas Advisory Committee (SWIFT) to hear invited testimony. The advisory committee shall review the overall operation, function, and structure of the resiliency fund at least semiannually and may provide comments and recommendations to the board on any matter.

Texas Senate Committee on State Affairs Hearing on December 15th

The committee will meet in the City of Marshall on Monday, December 15th at 9:00 a.m. to hear invited and public testimony on the following interim charge:

- **Investment Practices:** Study the investment practices of financial services firms and how those practices affect the state's public pensions. Make recommendations to ensure the state's public pension funds are not being invested to further political or social causes.

Washington Update

Administration Requests Supplemental; FY 2023 Omnibus Appropriations Update

The administration recently [posted](#) a summary of funding request to meet critical needs related to disasters. The \$37.3 billion request includes \$29.6 billion to address needs from Hurricanes Ian and Fiona, along with \$7.7 billion for other major disasters Kentucky, Mississippi, New Mexico, Alaska, and Yellowstone National Park. The requested funding follows a previous [letter](#) to Congress on November 15, requesting \$47.7 billion in supplemental funding for Ukraine and COVID-19 response. It is unknown if these requests may be considered along with a fiscal year 2023 appropriations bill; the current continuing resolution (CR) funding the federal government runs through December 16th.

With Coastal Texas Study project authorization expected before Congress adjourns later this month, the U.S. Army Corps of Engineers-Galveston District (USACE-Galveston District) is preparing Pre-construction, Engineering and Design (PED) budget details for a request to be included in the supplemental appropriations. USACE-Galveston District anticipates a total amount of \$600 million for staffing and PED work (\$100M year one; \$500M year two). The USACE-Galveston District budget would be based on the 65% federal share (\$65M in year one, \$325M in year two) for a total supplemental bill request of \$390 million. The Gulf Coast Protection District will pursue the non-federal share funds from the Texas Legislature.

Meanwhile, Congressional leaders continue to negotiate funding levels for an omnibus appropriations bill to provide full-year funding for FY 2023. There are areas of disagreement on veterans health care, vaccine mandates on military servicemembers, and other non-defense spending. If agreement can't be reached, Democratic leaders threaten to advance a full-year CR that would fund federal agencies at FY 2022 for FY 2023 and scrub thousands of home-state earmarks from the package.

US DOJ Hosts Bipartisan Safer Communities Act Information Briefing

The Department of Justice's Office of Justice Programs is hosting an [informational briefing](#) on the Bipartisan Safer Communities Act implementation efforts on Thursday, December 8 at 11:00 a.m. (CST). The webinar will share detailed information on current and future opportunities, including:

- National Criminal History Improvement Program
- Community Violence Intervention and Prevention Initiative
- BJA STOP School Violence Program
- Byrne State Crisis Intervention Program
- Extreme Risk Protective Order and Firearm Crisis Intervention Training and Technical Assistance Initiative

Interested city officials can register [here](#). Please contact Melissa Nee at melissa.nee@usdoj.gov if you have any specific questions or issues you want covered in the webinar.

FY 2022 Assistance to Firefighters Grant Programs Status Update

The FY 2022 Assistance to Firefighters Grant (AFG), Staffing for Adequate Fire and Emergency Response (SAFER) and Fire Prevention and Safety (FP&S) Programs application periods will open after the first of the year. In preparation, it is recommended that you confirm you are registered with the **System for Award Management (SAM.gov)**. SAM registration must be renewed annually, and failure to register or maintain active status could prevent your organization from applying. For those new to SAM.gov, it is imperative to start now as this process can take up to four weeks to complete. Start now to avoid any conflicts with the opening of the 2022 AFG application period.

Registering for an account in SAM.gov is **FREE**. You do not need to contract with an outside entity to register. For help with SAM.gov registration, please visit the [Help Page](#) or call toll free (866) 606-8220, Monday - Friday 8 a.m. to 8 p.m. ET. Existing SAM.gov account holders should check their account to ensure it is "Active" well in advance of the application period.

The schedule for Application Development Workshops for the 2022 AFG Program will be located [HERE](#). Each workshop provides information on AFG, what is new for 2022, and tips to develop and submit a successful application. These workshops also provide an opportunity for applicants to ask questions and network with FEMA Regional Fire Program Specialists from around the country.

FEMA Grants Management Technical Assistance

The K0705 Fundamentals of Grants Management is a virtual course offered by FEMA to grant recipients. The course is designed to assist organizations strengthen their grant management practices. Upon completion of the course, participants will be able to:

- Improve collaboration among policy, program and financial staff to integrate grant management functions;
- Identify applicable regulations and navigate and apply the Code of Federal Regulations, including 2 CFR Part 200;
- Apply proven business practices related to the grant lifecycle to increase efficiency and meet grant management priorities, such as strategic planning, organization, program implementation, staff training, monitoring, reporting and audits;
- Develop or revise policies, procedures, and practices in critical areas of grants management, such as monitoring, procurement, source documentation, payments, and equipment inventory; and
- Prepare for federal monitoring and sub-recipient monitoring.

Upcoming Course Offerings:

Orientation Dates	Course Dates	Course Start Time	Course Host
January 17, 18, 19	Jan 23 - Feb 16	5 p.m. CT	Open Enrollment
March 14, 15, 16	Mar 20 - Apr 13	9 a.m. CT	Open Enrollment
April 18, 19, 20	Apr 24 - May 18	1 p.m. CT	Open Enrollment
June 28, 29 & July 6	Jul 10 - Aug 3	9 a.m. CT	Open Enrollment
August 2, 9, 10	Aug 14 - Sep 7	1 p.m. ET	Open Enrollment

To Apply: https://training.fema.gov/netc_online_admissions

Questions: fema-gpd-training@fema.dhs.gov

GSA Hosting Unique Entity ID Webinar for State and Local Government Users

The U.S. General Services Administration (GSA) is [hosting](#) a webinar on December 6 at 1pm CT for those who represent a state or local government seeking federal assistance awards (grants, loans, etc.) and need to register, update a registration, or get a Unique Entity ID in SAM.gov. The focus of the webinar is state and local government users and GSA will walk through each step of the process and provide information. The event registration notes that space is limited for the presentation but GSA will make a recording of the event available online for subsequent viewing. Register [here](#) for the event.

FEMA Seeks Feedback on Public Assistance Hazard Mitigation Measures

Last week the Federal Emergency Management Agency (FEMA) [announced](#) it is seeking public feedback from state, local, Tribal and territorial (SLTT) stakeholders and the general public on how communities use mitigation funding through the Public Assistance (PA) program. The purpose of PA Mitigation funding under the Stafford Act is to provide assistance for cost-effective hazard mitigation measures that reduce the potential for future damage to a facility from a disaster event. These mitigation measures must be cost-effective using a benefit-cost analysis and FEMA has developed a list of measures pre-determined to be cost effective up to 100 percent of repair costs. FEMA is now seeking input to add additional measures to the list of cost-effective hazard mitigation measures; comments are due by December 21.

HUD Increases Flood Insurance Options for Certain Mortgage Holders

Last week the Department of Housing and Urban Development (HUD), through the Federal Housing Administration (FHA), [announced](#) that effective December 21, 2022, it will allow homeowners with FHA-insured mortgage financing to obtain flood insurance policies that conform to FHA requirements from private insurance providers. The change was announced through a final rule and companion Mortgagee Letter that provides implementation guidance for FHA-approved lenders. The change is intended to give more options for consumers with FHA-insured mortgages required to have flood insurance, as previously only insurance obtained through the National Flood Insurance Program (NFIP) was permissible. However, stakeholders worry it may invite policy cherry-picking and weaken the NFIP.

DOL Announces Final Rule on ESG Factors in Investing

Today the Department of Labor (DOL) [announced](#) a [final rule](#) that allows plan fiduciaries to consider climate change and other environmental, social and governance (ESG) factors when they select retirement investments and exercise shareholder rights. The rule will be effective 60 days after its publication in the *Federal Register*. Additional information on the final rule can be found [here](#).

FCC Releases Draft National Broadband Maps

The Federal Communications Commission (FCC) [released](#) a pre-production draft of its new [National Broadband Map](#). The map will display location-specific information about available broadband services versus the previously collected census block level data. The draft release kicks off a process where states, localities and the general public can challenge inaccuracies. The new data will be crucial in guiding how the federal government divides billions in broadband funding between states. Under a previously released [timeline](#), the National Telecommunications and Information Administration (NTIA) encourages challenges to be submitted by January 13, 2023 to allow time for the FCC to include corrections in the final version of the map that will be used to allocate broadband funding in the summer of 2023.

EPA Recycling Grant Webinars

The U.S. Environmental Protection Agency will host a series of webinars through January 2023 for local leaders to learn more about the Solid Waste Infrastructure for Recycling Grant and the Recycling Education and Outreach Grant under the Bipartisan Infrastructure Law. [Register here](#).

NLC Local Infrastructure Hub Grant Webinar

In January, the National League of Cities (NLC) and the Local Infrastructure Hub will kick off new bootcamps to provide resources and training for communities interested in securing federal grant funds to address sustainable infrastructure needs. Of interest to Galveston may be the following:

[Safe Streets and Roads for All \(\\$5 billion available\):](#)

▪ **Action Planning:**

Hundreds of action planning grants ranging from \$200,000 to \$5 million will be available for developing or updating a comprehensive safety action plan to prevent roadway deaths and serious injuries. This grant is appropriate for communities of all sizes who can apply independently or with other local governments or their Metropolitan Planning Organization.

▪ **Implementation:**

Up to 100 implementation grants ranging from \$3 million to \$30 million will be available for carrying out projects and strategies identified in an “action plan” to prevent roadway deaths and serious injuries. *Please note, eligible applicants should have completed an action plan and should have ownership and/or maintenance responsibilities over a roadway network, have safety responsibilities that effect roadways, or have agreement from the agency that has ownership and/or maintenance responsibilities for the roadway within the applicant's jurisdiction.

Reports of Interest

[Climate Change, Slow-Onset Disasters, and the Federal Emergency Management Agency](#)

Congressional Research Service, December 1, 2022

[Critical Infrastructure: Actions Needed to Better Secure Internet-Connected Devices](#)

GAO-23-105327, December 1

[House GOP Votes Down Earmark Ban Proposal](#)

Roll Call, November 30, 2022

[Rethinking How to Solve Transit Problems](#)

Route Fifty – 11/26/2022

[Local Governments, Many on Wall Street Line Up Against Muni-Data Bill](#)

Wall Street Journal – 11/26/2022

[FCCs New Broadband Map Brings Challenges for Local Government](#)

Governing.com - 11/25/2022

[Concerns Bubbling Up Over Implications of Financial Data Transparency Act for GASB](#)

Reuters – 11/23/2022

[Public Pension Investment Update: Have Alternatives Helped or Hurt?](#)

Center for Retirement Research at Boston College